

John A. Bennett, OSB #750407
E-mail: john.bennett@bullivant.com
BULLIVANT Houser BAILEY PC
One SW Columbia Street, Suite 800
Portland, Oregon 97204-4022
Telephone: 503.228.6351
Facsimile: 503.295.0915

Nancy D. Adams (*pro hac vice pending*)

E-mail: nadams@mintz.com

Laura Bange Stephens (*pro hac vice pending*)

E-mail: lbstephens@mintz.com

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY
AND POPEO, P.C.

One Financial Center
Boston, Massachusetts 02111
Telephone: 617.542.6000
Facsimile: 617.542.2241

Attorneys for Plaintiffs Ohio Security Insurance
Company, First National Insurance Company of
America, American Fire and Casualty Company

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

EUGENE DIVISION

OHIO SECURITY INSURANCE
COMPANY; FIRST NATIONAL
INSURANCE COMPANY OF AMERICA;
and AMERICAN FIRE AND CASUALTY
COMPANY,

Plaintiffs,

v.

SEGO CONTRACTORS, INC.; MICHAEL
SEGOVIANO aka MIGUEL SEGOVIANO;

Civil No.: _____

**PLAINTIFFS' COMPLAINT FOR
DECLARATORY JUDGMENT**

KAROMA PROPERTIES, LLC; SERVICE EXPRESS GROUP OREGON, INC.; SEGOVIANO LEASING, INC.; SEGO REAL ESTATE GROUP, LLC; and “H.D.,”

Defendants

INTRODUCTION

1. This is an action for declaratory relief and judgment pursuant to 28 U.S.C. §§ 2201 and 2202. Plaintiffs Ohio Security Insurance Company (“OSIC”), First National Insurance Company of America (“First National”), and American Fire and Casualty Company (“American Fire”) seek a declaration of their rights and obligations as to Defendants SEGO Contractors, Inc. (“SEGO Contractors”), Michael Segoviano aka Miguel Segoviano (“Segoviano”), Karoma Properties LLC (“Karoma Properties”), Service Express Group of Oregon, Inc. (“Service Express Group”), Segoviano Leasing, Inc. (“Segoviano Leasing”), and SEGO Real Estate Group LLC (“SEGO Real Estate Group”) under certain policies of insurance issued by OSIC, First National, and American Fire. The matter that gives rise to OSIC, First National, and American Fire seeking such a declaration is an underlying lawsuit that was filed against Segoviano, SEGO Contractors, Karoma Properties, Service Express Group, Segoviano Leasing, and SEGO Real Estate Group wherein the underlying plaintiff, “H.D.,” alleges that she was sexually assaulted by Segoviano.

PARTIES

2. Plaintiff OSIC is a New Hampshire corporation engaged in the business of insurance. OSIC’s principal place of business is in Boston, Massachusetts.

3. Plaintiff First National is a New Hampshire corporation engaged in the business of insurance. First National's principal place of business is in Boston, Massachusetts.

4. Plaintiff American Fire is a New Hampshire corporation engaged in the business of insurance. First National's principal place of business is in Boston, Massachusetts.

5. Defendant SEGO Contractors was an Oregon corporation with its principal place of business located in Redmond, Oregon. SEGO Contractors constructed residential and commercial structures primarily in Deschutes and Jefferson Counties, Oregon. SEGO Contractors operated from approximately 2010 until 2018.

6. Defendant Karoma Properties is a limited-liability company organized under the laws of the State of Oregon, with its principal place of business located in Redmond, Oregon. Karoma Properties constructed, owned, and operated residential rental buildings in Deschutes County, Oregon and other locations.

7. Defendant Service Express Group is an Oregon corporation with its principal place of business located in Redmond, Oregon. Service Express Group operated as a construction business in Deschutes County, Oregon, and other locations.

8. Defendant Segoviano Leasing was an Oregon corporation with its principal place of business located in Redmond, Oregon. Segoviano Leasing owned and operated motor vehicles which were leased and loaned to consumers and businesses in Deschutes County, Oregon. Segoviano Leasing operated from approximately 2008 until 2011.

9. Defendant Sego Real Estate Group was a limited-liability company organized under the laws of the State of Oregon, with its principal place of business located in Redmond, Oregon. Sego Real Estate Group marketed and sold residential and commercial real estate in Deschutes and Jefferson Counties, Oregon. Sego Real Estate Group operated between 2013 and 2014.

10. Defendant Segoviano is an adult male resident of Deschutes County, Oregon. Segoviano was at all times material the principal owner and CEO of Defendants SEGO Contractors, Karoma Properties, Service Express Group, Segoviano Leasing, and SEGO Real Estate Group (collectively, the “Corporate Defendants”).

11. Defendant “H.D.” is alleged to be a 21-year-old female resident of Deschutes County, Oregon. H.D. is the plaintiff in an action pending against Segoviano and the Corporate Defendants in the Circuit Court for Deschutes County, Oregon, entitled *H.D. v. Michael Segoviano; Karoma Properties, LLC; Service Express Group Oregon, Inc.; Sego Contractors, Inc.; Segoviano Leasing, Inc. and Sego Real Estate Group, LLC*, Case No 19CV07872 (the “Underlying Lawsuit”).

12. H.D. is named herein for the purpose of having the judgment, decisions, and orders of the Court in the instant action be binding upon her.

13. At all times material, Defendant Segoviano was the President of Defendant SEGO Contractors. See SEGO Contractors corporate filings dated November 8, 2011, December 12, 2011, December 20, 2012, January 5, 2015, January 5, 2016, and November 17, 2017, attached hereto as **Exhibit A**.

14. At all times material, Defendant Segoviano was the sole owner of Defendant SEGO Contractors. *See Exhibit A*, at pp. 10-11.

15. At all times material, Defendant Segoviano was the President of Defendant Service Express Group. *See Service Express Group corporate filings dated September 14, 2018 and October 12, 2018*, attached hereto as **Exhibit B**.

16. At all times material, Defendant Segoviano was the sole owner of Defendant Service Express Group. *See Exhibit B*, at pp. 2-4.

17. At all times material, Defendant Segoviano was the President of Defendant Segoviano Leasing. *See Segoviano Leasing corporate filing dated October 9, 2009*, attached hereto as **Exhibit C**.

18. At all times material, Defendant Segoviano was the sole member of Defendant Karoma Properties. *See Karoma Properties corporate filings dated October 22, 2012, September 11, 2013, September 21, 2015, and August 23, 2017*, attached hereto as **Exhibit D**.

19. At all times material, Defendant Segoviano was the sole member of Defendant SEGO Real Estate Group. *See SEGO Real Estate Group corporate filing dated March 5, 2013*, attached hereto as **Exhibit E**.

JURISDICTION AND VENUE

20. This is a proceeding for declaratory relief pursuant to Title 28 of the United States Code, § 2201, *et seq.*, to determine the scope of the respective rights, duties, and obligations, if any, of OSIC, First National, and American Fire as to Segoviano and the

Corporate Defendants under certain contracts of insurance with respect to the Underlying Lawsuit.

21. Jurisdiction for this proceeding is proper in federal court pursuant to 28 U.S.C. § 1332(a)(1) and (c)(1) because the parties are citizens of different States and, upon information and belief, the amount in controversy exceeds \$75,000, exclusive of interest and costs.

22. Venue is proper pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to this Complaint for Declaratory Judgment allegedly occurred in this district. The proper “divisional venue” for this action is in the Eugene Division, pursuant to 28 U.S.C. § 117 and Civil Practice Local Rule 3-2, as a substantial part of the events or omissions giving rise to this claim occurred within Deschutes County.

23. An actual controversy exists between the parties as to whether OSIC, First National, or American Fire has a duty to defend or indemnify any of the Corporate Defendants or Segoviano with respect to the Underlying Lawsuit.

FACTUAL BACKGROUND

A. The Underlying Lawsuit

1. The Original Complaint

24. On February 19, 2019, H.D. filed her original Complaint in the Underlying Lawsuit (the “original Complaint”) against Segoviano and the Corporate Defendants in Multnomah County Circuit Court.

25. In the original Complaint, the Plaintiff alleged that Mr. Segoviano, who was CEO of the Corporate Defendants and Plaintiff’s “boss and supervisor,” engaged in sexually

inappropriate behavior towards her beginning in or about 2011, when she was 13 years old, and continuing until September 2018, when she was 20 years old. *See* original Complaint, attached hereto as **Exhibit F**, at pp. 4-5, ¶¶ 9, 11.

26. In the original Complaint, the Plaintiff alleged that she was employed to work for the Corporate Defendants as an “office worker, office manager, administrative assistant, bookkeeper, rent collector, errand runner, and manager of landlord-tenant relations.” *Id.* at p. 4, ¶ 9.

27. In the original Complaint, H.D. alleged that the Corporate Defendants “had and have offices and corporate headquarters located at: 1881 SW 1st St, Redmond, Oregon, 97756.” *Id.* at p. 4, ¶ 8.

28. In the original Complaint, H.D. alleged that Segoviano was at all material times the principal owner and CEO of the Corporate Defendants. *Id.* at p. 2, ¶ 2.

29. In the original Complaint, H.D. alleged that Segoviano was acting within the course and scope of his employment for the Corporate Defendants at all material times. *Id.* at p. 4, ¶ 10.

30. In the original Complaint, H.D. alleged that knowledge about the facts of Segoviano and H.D.’s relationship was “imputed” to each of the Corporate Defendants. *Id.*

31. In the original Complaint, H.D. alleged that, beginning when H.D. was 13 and continuing until she was 20, the Corporate Defendants and Segoviano created a hostile work environment for H.D. by engaging in a pattern and practice of unlawful and unwelcome sexual and non-sexual touching, making sexual jokes, sending sexually suggestive text

messages, making sexually suggestive telephone calls, seeking sexual favors, making sexual comments about H.D., and staring at H.D.’s body. *Id.* at p. 5, ¶ 11.

32. In the original Complaint, H.D. alleged that, beginning when H.D. was 13 and continuing until she was 20, the Corporate Defendants and Segoviano engaged in a quid pro quo arrangement with H.D. in which H.D. was threatened with changes in the terms and conditions of her employment, including but not limited to unemployment and loss of employment-related benefits, unless she submitted to sexual favors. *Id.* at p. 5, ¶ 12.

33. In the original Complaint, H.D. alleged that “all sexual contact and harassment that occurred before Plaintiff’s age 18 was knowingly allowed, permitted and encouraged by all defendants.” *Id.* at p. 7, ¶ 18.

34. In the original Complaint, H.D. alleged that Segoviano was “charged with crimes” in the criminal matter titled *State v. Segoviano*, Case No. 19CR07387, which is pending in the Deschutes County Circuit Court (the “Criminal Lawsuit”). *Id.* at p. 2, ¶ 2.

35. In the original Complaint, H.D. asserted claims for unlawful employment discrimination under ORS 659A against the Corporate Defendants in connection with Segoviano’s alleged sexual harassment of her. *Id.* at pp. 7-9, ¶¶ 19-29.

36. In the original Complaint, H.D. asserted claims for the intentional torts of Common Law Battery and Fraudulent Transfer (ORS 95.230) against Segoviano. *Id.* at pp. 9-10, ¶¶ 30-35.

37. By letter dated April 18, 2019, OSIC addressed SEGO Contractors’ and Segoviano’s tender of the original Complaint (“OSIC April 18, 2019 Coverage Position Letter”). See OSIC April 18, 2019 Coverage Position Letter, attached hereto as **Exhibit G**.

38. In the OSIC April 18, 2019 Coverage Position Letter, OSIC addressed whether certain policies issued to SEGO Contractors and Service Express Group afforded coverage for Segoviano or the Corporate Defendants with respect to the allegations in the original Complaint. *Id.*

39. In the OSIC April 18, 2019 Coverage Position Letter, OSIC explained that, based on the allegations in the original Complaint, the policies issued to SEGO Contractors and Service Express Group did not afford coverage for Segoviano or any of the Corporate Defendants. *Id.* at pp. 2, 9.

2. The First Amended Complaint

40. On June 12, 2019, H.D. filed an Amended Complaint (the “First Amended Complaint”) in the Underlying Lawsuit.

41. In the First Amended Complaint, H.D. alleged that Segoviano had a cohabitating and sexual relationship with her mother that began when H.D. was 13. See First Amended Complaint, attached hereto as **Exhibit H**, at p. 4, ¶ 9. On the basis of these alleged facts, H.D. alleged that Segoviano was her “*de facto* stepfather” and stood in an *in loco parentis* relationship to H.D. *Id.*

42. In the First Amended Complaint, H.D. alleged that, while Mr. Segoviano lived with her mother, he began a sexual relationship with H.D. *Id.* at p. 4, ¶ 10.

43. In the First Amended Complaint, H.D. alleged that Segoviano was “at all times material acting within the course and scope of his employment for the [C]orporate [D]efendants.” *Id.* at p. 4, ¶ 11.

44. In the First Amended Complaint, H.D. alleged that knowledge of facts about Plaintiff's relationship with Defendant Segoviano is "imputed" to each of the Corporate Defendants. *Id.*

45. In the First Amended Complaint, H.D. alleged that "[t]he sexual contact and intercourse that occurred before Plaintiff's age 18 was allowed or permitted by all defendants." *Id.* at p. 6, ¶ 17.

46. In the First Amended Complaint, H.D. alleged that the Corporate Defendants had and have offices and corporate headquarters located at 1881 SW 1st St, Redmond, Oregon, 97756. *Id.* at p. 4, ¶ 8.

47. In the First Amended Complaint, H.D. asserted claims for relief against Segoviano for Neglect of Parental Duties and Premises Liability. *Id.* at pp. 6-7, ¶¶ 18-22. H.D.'s claims for relief for Common-Law Battery and Fraudulent Transfer against Segoviano were retained from the original Complaint. *Id.* at pp. 9-10, ¶¶ 34-39.

48. The First Amended Complaint included the following claims for relief against the Corporate Defendants:

a. False Imprisonment, alleging that the Corporate Defendants "falsely imprisoned" her by "compelling her to accompany Defendant Segoviano on long and short business trips . . . and by compelling her to spend time with Segoviano at his office, and at various other job sites." *Id.* at p. 7, ¶ 24.

b. Invasion of Privacy, alleging that the Corporate Defendants "invaded [H.D.'s] privacy and right to seclusion by: a. persuading her to enter into

a close physical relationship with Segoviano; and b. persuading her to become Segoviano's companion." *Id.* at p. 8, ¶ 26.

- c. Negligent Infliction of Emotional Distress, alleging that the Corporate Defendants placed H.D. "in a situation whereby it became likely that she would be the victim of unlawful touching by Defendant Segoviano." *Id.* at p. 8, ¶ 28.
- d. Premises Liability, alleging that Plaintiff was a licensee or invitee on the Corporate Defendants' business premises, and that they breached a duty to maintain reasonably safe premises. *Id.* at p. 9, ¶¶ 30-33.

49. On or about September 5, 2019, Kyle Sturm, Esq. tendered the First Amended Complaint to OSIC, First National, and American Fire for defense and indemnity on behalf of Segoviano, Karoma Properties, Service Express Group, SEGO Contractors, Segoviano Leasing, and Sego Real Estate Group.

50. On or about January 31, 2020, OSIC supplemented the OSIC April 18, 2019 Coverage Position Letter to address whether certain policies issued to SEGO Contractors and Service Express Group afforded coverage for Segoviano or the Corporate Defendants with respect to the allegations in the First Amended Complaint (the "OSIC January 31, 2020 Coverage Position Letter"). *See* OSIC January 31, 2020 Coverage Position Letter, attached hereto as **Exhibit I**.

51. In the OSIC January 31, 2020 Coverage Position Letter, OSIC explained that it would agree, subject to a complete reservation of rights, to provide a defense to SEGO

Contractors and Service Express Group under certain policies issued to SEGO Contractors and Service Express Group based on H.D.’s allegations. *Id.* at pp. 2-3.

52. In the OSIC January 31, 2020 Coverage Position Letter, OSIC further explained that the policies issued to SEGO Contractors and Service Express Group did not afford coverage for Segoviano, Karoma Properties, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at pp. 3, 12.

53. By letter dated January 31, 2020, First National and American Fire addressed Karoma Properties’ tender of the First Amended Complaint (the “First National and American Fire January 31, 2020 Coverage Position Letter”). See First National and American Fire January 31, 2020 Coverage Position Letter, attached hereto as **Exhibit J**.

54. In the First National and American Fire January 31, 2020 Coverage Position Letter, First National and American Fire explained that they would agree, subject to a complete reservation of rights, to provide a defense to Karoma Properties under certain policies issued to Karoma Properties based on H.D.’s allegations. *Id.* at pp. 2-3, 12.

55. In the First National and American Fire January 31, 2020 Coverage Position Letter, First National and American Fire further explained that the policies issued to Karoma Properties did not afford coverage for Segoviano, SEGO Contractors, Service Express Group, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at pp. 3, 12.

56. By letter dated January 31, 2020, American Fire addressed Segoviano’s tender of the First Amended Complaint (the “American Fire January 31, 2020 Coverage Position

Letter"). See American Fire January 31, 2020 Coverage Position Letter, attached hereto as

Exhibit K.

57. In the American Fire January 31, 2020 Coverage Position Letter, American Fire explained that, based on H.D.'s allegations that Segoviano engaged in sexual misconduct, certain policies issued to Segoviano did not afford coverage to him with respect to the Underlying Lawsuit. *Id.* at pp. 2-3, 11.

58. In the American Fire January 31, 2020 Coverage Position Letter, American Fire further explained that, based on the information available, the policies issued to Segoviano did not afford coverage for SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at p. 11.

3. The Second Amended Complaint

59. On May 5, 2020, H.D. filed a Second Amended Complaint (the "Second Amended Complaint") in the Underlying Lawsuit.

60. In the Second Amended Complaint, H.D. alleged that, beginning when she was approximately 13 years old, which corresponds to approximately 2011 or 2012, Segoviano began a "living together" relationship with H.D.'s mother and acted as H.D.'s "*de facto* stepfather." See Second Amended Complaint, attached hereto as **Exhibit L**, at pp. 2, 4, ¶¶ 1, 9.

61. In the Second Amended Complaint, H.D. alleged that, when she was 13 years old, Segoviano began an "inappropriate relationship" with H.D. and "engaged in interactions with her that were offensive and intrusive." *Id.* at p. 4, ¶ 10.

62. In the Second Amended Complaint, H.D. alleged that Segoviano “falsely imprisoned, assaulted, battered, invaded [her] privacy, sexually assaulted and negligently inflicted emotional distress upon [her].” *Id.* at p. 5, ¶ 14.

63. In the Second Amended Complaint, H.D. alleged that Segoviano was “at all times material acting within the course and scope of his employment for the Corporate Defendants.” *Id.* at pp. 4-5, ¶ 11.

64. In the Second Amended Complaint, H.D. alleged that knowledge of facts about her relationship with Segoviano is “imputed” to each of the Corporate Defendants. *Id.* at pp. 4-5, ¶ 11.

65. In the Second Amended Complaint, H.D. alleged that the Corporate Defendants had and have offices and corporate headquarters located at 1881 SW 1st St, Redmond, Oregon, 97756. *Id.* at p. 4, ¶ 8.

66. In the Second Amended Complaint, H.D. alleged that Segoviano sexually abused her on the Corporate Defendants’ premises. *Id.* at p. 15, ¶¶ 60-61.

67. In the Second Amended Complaint, H.D. alleged that the Corporate Defendants failed to supervise her and Segoviano, and that the Corporate Defendants’ actions, or failures to act, amounted to the Corporate Defendants “knowingly allowing, permitting or encouraging” sexual abuse and non-sexual misconduct. *Id.* at pp. 6, 9, 10, ¶¶ 15, 24-26, 28.

68. In the Second Amended Complaint, H.D. alleged that Segoviano “restrained” her and “intruded into a private space occupied by [her],” and that the Corporate Defendants

are liable for false imprisonment and invasion of privacy under a theory of *respondeat superior*. See, e.g., *id.* at pp. 13, 15. ¶¶ 48, 50, 57.

69. In the Second Amended Complaint, H.D. alleged that, “by engaging in sexual misconduct,” Segoviano and the Corporate Defendants “denied Plaintiff full and equal accommodations, advantages, facilities and privileges, and this constituted unlawful discrimination” based on sex and age. *Id.* at p. 12, ¶ 42.

70. In the Second Amended Complaint, H.D. asserted the following claims for relief:

- a. Against All Defendants: False Imprisonment – Non-Sexual Misconduct Damages, False Imprisonment – Sexual Abuse Damages, Invasion of Privacy – Non-Sexual Misconduct Damages, Invasion of Privacy – Sexual Abuse Damages, Negligent Infliction of Emotional Distress – Non-Sexual Misconduct Damages, and Negligent Infliction of Emotional Distress – Sexual Abuse Damages.
- b. Against the Corporate Defendants: Negligence Leading to Non-Sexual Misconduct, Negligence Leading to Sexual Abuse, Dangerous Premises Leading to Non-Sexual Misconduct, Dangerous Premises Leading to Sexual Abuse, and Discrimination under ORS 659A.403.

71. On July 14, 2020, OSIC supplemented the OSIC April 18, 2019 Coverage Position Letter and OSIC January 31, 2020 Coverage Position Letter to address whether certain policies issued to SEGO Contractors and Service Express Group afforded coverage for Segoviano or the Corporate Defendants with respect to the allegations in the Second

Amended Complaint (the “OSIC July 14, 2020 Coverage Position Letter”). *See* OSIC July 14, 2020 Coverage Position Letter, attached hereto as **Exhibit M**.

72. In the OSIC July 14, 2020 Coverage Position Letter, OSIC explained that it would agree, subject to a complete reservation of rights, to continue to provide a defense to SEGO Contractors and Service Express Group under certain policies issued to SEGO Contractors and Service Express Group based on H.D.’s allegations. *Id.* at p. 3, 13.

73. In the OSIC July 14, 2020 Coverage Position Letter, OSIC further explained that the policies issued to SEGO Contractors and Service Express Group did not afford coverage for Segoviano, Karoma Properties, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at p. 14.

74. On July 14, 2020, First National and American Fire supplemented the First National and American Fire January 31, 2020 Coverage Position Letter to address whether certain policies issued to Karoma Properties afforded coverage for Segoviano or the Corporate Defendants with respect to the allegations in the Second Amended Complaint (the “First National and American Fire July 14, 2020 Coverage Position Letter”). *See* First National and American Fire July 14, 2020 Coverage Position Letter, attached hereto as **Exhibit N**.

75. In the First National and American Fire July 14, 2020 Coverage Position Letter, First National and American Fire explained that they would agree, subject to a complete reservation of rights, to continue to provide a defense to Karoma Properties under certain policies issued to Karoma Properties based on H.D.’s allegations. *Id.* at pp. 3, 13.

76. In the First National and American Fire July 14, 2020 Coverage Position Letter, First National and American Fire further explained that the policies issued to Karoma Properties did not afford coverage for Segoviano, SEGO Contractors, Service Express Group, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at p. 13.

77. On July 14, 2020, American Fire supplemented the American Fire January 31, 2020 Coverage Position Letter to address whether certain policies issued to Segoviano afforded coverage for Segoviano or the Corporate Defendants with respect to the allegations in the Second Amended Complaint (the “American Fire July 14, 2020 Coverage Position Letter”). See American Fire July 14, 2020 Coverage Position Letter, attached hereto as

Exhibit O.

78. In the American Fire July 14, 2020 Coverage Position Letter, American Fire explained that, based on H.D.’s allegations that Segoviano engaged in intentional misconduct including sexual abuse, battery, and assault, certain policies issued to Segoviano did not afford coverage to him with respect to the Underlying Lawsuit. *Id.* at pp. 2, 11.

79. In the American Fire July 14, 2020 Coverage Position Letter, American Fire further explained that, based on the information available, the policies issued to Segoviano did not afford coverage for SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, or Sego Real Estate Group with respect to the Underlying Lawsuit. *Id.* at p. 2.

B. The Policies

1. SEGO Contractors Policies and Service Express Group Policies

80. OSIC issued a commercial general liability policy to SEGO Contractors, Policy No. BKS (15) 55 37 90 51, with a policy period of January 19, 2014 to January 19, 2015 (the “2014 SEGO Contractors Policy”). A copy of the 2014 SEGO Contractors Policy is attached hereto as **Exhibit P**.

81. OSIC issued a commercial general liability policy to SEGO Contractors, Policy No. BKS (16) 55 37 90 51, with a policy period of January 19, 2015 to January 19, 2016 (the “2015 SEGO Contractors Policy”). A copy of the 2015 SEGO Contractors Policy is attached hereto as **Exhibit Q**.

82. OSIC issued a commercial general liability policy to SEGO Contractors, Policy No. BKS (17) 55 37 90 51, with a policy period of January 19, 2016 to January 19, 2017 (the “2016 SEGO Contractors Policy”). A copy of the 2016 SEGO Contractors Policy is attached hereto as **Exhibit R**.

83. OSIC issued a commercial package policy to SEGO Contractors, Policy No. BKS (18) 55 37 90 51, with a policy period of January 19, 2017 to January 19, 2018 (the “2017 SEGO Contractors Policy”). A copy of the 2017 SEGO Contractors Policy is attached hereto as **Exhibit S**.

84. OSIC issued a commercial package policy to SEGO Contractors, Policy No. BKS (19) 55 37 90 51, with a policy period of January 19, 2018 to September 28, 2018 (the “2018 SEGO Contractors Policy” and, together with the 2014 SEGO Contractors Policy, 2015 SEGO Contractors Policy, 2016 SEGO Contractors Policy, and 2017 SEGO

Contractors Policy, the “SEGO Contractors Policies”). The original policy period of the 2018 SEGO Contractors Policy was January 19, 2018 to January 19, 2019, but the policy was cancelled effective September 28, 2018. A copy of the 2018 SEGO Contractors Policy is attached hereto as **Exhibit T**.

85. OSIC issued a commercial package policy to Service Express Group, Policy No. BLS (19) 59 19 67 24, with a policy period of September 28, 2018 to September 28, 2019 (the “2018 Service Express Group Policy”). A copy of the 2018 Service Express Group Policy is attached hereto as **Exhibit U**.

86. OSIC issued a commercial package policy to Service Express Group, Policy No. BLS (20) 59 19 67 24, with a policy period of September 28, 2019 to March 21, 2020 (the “2019 Service Express Group Policy,” and, together with the 2018 Service Express Group Policy, the “Service Express Group Policies”). The original policy period of the 2019 Service Express Group Policy was September 28, 2019 to September 28, 2020, but the policy was cancelled effective March 21, 2020. A copy of the 2019 Service Express Group Policy is attached hereto as **Exhibit V**.

87. In Section I – Coverages (Form CG 00 01 04 13), the SEGO Contractors Policies and Service Express Group Policies contain two coverage parts: (i) Coverage A, Bodily Injury and Property Damage Liability; and (ii) Coverage B, Personal and Advertising Injury.

88. The Insuring Agreement for Coverage A provides, in relevant part, as follows:

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. . . .
- b.** This insurance applies to "bodily injury" and "property damage" only if:
 - (1)** The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2)** The "bodily injury" or "property damage" occurs during the policy period . . .¹

89. Coverage A, as modified by endorsement (Form CG 88 10 04 13), defines the term "bodily injury" as "physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease."²

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¹ See Exhibit P at p. 25; Exhibit Q at p. 39; Exhibit R at p. 41; Exhibit S at p. 135; Exhibit T at p. 113; Exhibit U at p. 21; Exhibit V at p. 45.

² See Exhibit P at p. 60; Exhibit Q at p. 74; Exhibit R at p. 77; Exhibit S at p. 171; Exhibit T at p. 149; Exhibit U at p. 58; Exhibit V at p. 82.

90. Coverage A provides that the term "occurrence" is defined to mean "an accident, including continuous or repeated exposure to substantially the same general harmful conditions."³

91. Section II – Who Is An Insured of the SEGO Contractors Policies and Service Express Group Policies, as modified by endorsement (Form CG 88 10 04 13), provides in relevant part as follows:

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as: . . .
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders. . . .
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) . . . to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

³See Exhibit P at p. 40; Exhibit Q at p. 54; Exhibit R at p. 56; Exhibit S at p. 150; Exhibit T at p. 128; Exhibit U at p. 36; Exhibit V at p. 60.

Paragraphs **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision **J.** is excess over any other valid and collectable insurance available to your "employee". . . .

- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager. . . .
- 3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a.** Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
 - d.** Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision. . . .

SECTION II – WHO IS AN INSURED [also] include[s] any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. . .⁴

92. The SEGO Contractors Policies and Service Express Group Policies define the term “executive officer” to mean “a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.”⁵

93. Coverage A, as modified by endorsement (Form CG 88 10 04 13), contains an Expected Or Intended Injury exclusion, which provides:

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.⁶

94. Coverage A contains an Employer's Liability exclusion which provides:

This insurance does not apply to: . . .

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

⁴ See Exhibit P at pp. 34, 56, 59-60; Exhibit Q at p. 48, 70, 73-74; Exhibit R at pp. 50, 73, 76-77; Exhibit S at pp. 144, 167, 170-171; Exhibit T at pp. 122, 145, 148-149; Exhibit U at pp. 30, 54, 57-58; Exhibit V at pp. 54, 78, 81-82.

⁵ See Exhibit P at p. 38; Exhibit Q at p. 52; Exhibit R at p. 54; Exhibit S at p. 148; Exhibit T at p. 126; Exhibit U at p. 34; Exhibit V at p. 58.

⁶ See Exhibit P at p. 61; Exhibit Q at p. 75; Exhibit R at p. 78; Exhibit S at p. 172; Exhibit T at p. 150; Exhibit U at p. 59; Exhibit V at p. 83.

- (b) Performing duties related to the conduct of the insured's business;
or
- (2) The spouse, child, parent, brother, or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".⁷

95. Coverage A contains a Workers' Compensation And Similar Laws exclusion which provides:

This insurance does not apply to: . . .

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.⁸

96. Coverage A contains a Personal And Advertising Injury exclusion which provides:

This insurance does not apply to: . . .

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".⁹

⁷ See Exhibit P at p. 26; Exhibit Q at p. 40; Exhibit R at p. 42; Exhibit S at p. 136; Exhibit T at p. 114; Exhibit U at p. 22; Exhibit V at p. 46.

⁸ See Exhibit P at p. 26; Exhibit Q at p. 40; Exhibit R at p. 42, Exhibit S at p. 136; Exhibit T at p. 114; Exhibit U at p. 22; Exhibit V at p. 46.

⁹ See Exhibit P at p. 30; Exhibit Q at p. 44; Exhibit R at p. 46; Exhibit S at p. 140; Exhibit T at p. 118; Exhibit U at p. LM000913, Exhibit V at p. 50.

97. The Insuring Agreement for Coverage B provides, in relevant part, as follows:

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. . . .
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.¹⁰

98. Coverage B provides that the term "personal and advertising injury" is defined to mean injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

¹⁰ See Exhibit P at p. 30; Exhibit Q at p. 44; Exhibit R at p. 46; Exhibit S at p. 140; Exhibit T at p. 118; Exhibit U at p. 26; Exhibit V at p. 50.

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".¹¹

99. Coverage B contains a Knowing Violation Of Rights Of Another exclusion which provides:

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".¹²

100. Coverage B contains a Criminal Acts exclusion which provides:

This insurance does not apply to: . . .

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.¹³

101. The SEGO Contractors Policies and Service Express Group Policies also include an Employment-Related Practices exclusion under Coverage A and Coverage B (Form CG 21 47 12 07) which provides, in relevant part, as follows:

¹¹ See Exhibit P at p. 40; Exhibit Q at p. 54; Exhibit R at p. 56; Exhibit S at p. 150; Exhibit T at p. 128; Exhibit U at p. 36; Exhibit V at p. 60.

¹² See Exhibit P at p. 31; Exhibit Q at p. 45; Exhibit R at p. 47; Exhibit S at p. 141; Exhibit T at p. 119; Exhibit U at p. 17; Exhibit V at p. 51.

¹³ See Exhibit P at p. 31; Exhibit Q at p. 45; Exhibit R at p. 47; Exhibit S at p. 141; Exhibit T at p. 119; Exhibit U at p. 27; Exhibit V at p. 51.

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury. . . .

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.¹⁴

102. Section IV of the SEGO Contractors Policies and Service Express Group Policies, as modified by endorsement (Form CG 88 10 04 13), provides, in relevant part, as follows:

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and

¹⁴ See Exhibit P at p. 42; Exhibit Q at p. 56; Exhibit R at p. 59; Exhibit S at p. 153; Exhibit T at p. 131; Exhibit U at p. 42; Exhibit V at p. 66.

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.¹⁵

2. Karoma Properties Policies

103. First National issued a commercial package policy to Karoma Properties, Policy No. 25-CC-302029-1, with a policy period of April 30, 2010 to April 30, 2011 (the "2010 Karoma Properties Policy"). A copy of the 2010 Karoma Properties Policy is attached hereto as **Exhibit W**.

104. American Fire issued a commercial package policy to Karoma Properties, Policy No. BKA (15) 55 95 79 66, with a policy period of January 22, 2014 to January 22, 2015 (the "2014 Karoma Properties Policy," and, together with the 2010 Karoma Properties Policy, the "Karoma Properties Policies"). A copy of the 2014 Karoma Properties Policy is attached hereto as **Exhibit X**.

105. Section I of the Karoma Properties Policies contains two coverage parts: (i) Coverage A, Bodily Injury and Property Damage Liability; and (ii) Coverage B, Personal and Advertising Injury.

106. The Insuring Agreement for Coverage A provides, in relevant part, as follows:

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have

¹⁵ See Exhibit P at p. 36; Exhibit Q at p. 50; Exhibit R at p. 52; Exhibit S at p. 146; Exhibit T at p. 124; Exhibit U at p. 32; Exhibit V at p. 56.

the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, in our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. . . .

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" . . .
 - (2) The "bodily injury" or "property damage" occurs during the policy period; . . .¹⁶

107. Coverage A of the 2014 Karoma Properties Policy, as modified by

endorsement, defines the term "bodily injury" as "bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time."

Coverage A of the 2014 Karoma Properties Policy, as modified by endorsement, defines the term "bodily injury" as "physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease."¹⁷

108. Coverage A provides that the term "occurrence" is defined to mean "an accident, including continuous or repeated exposure to substantially the same general harmful conditions."¹⁸

¹⁶ See Exhibit W at p. 73; Exhibit X at p. 317.

¹⁷ See Exhibit W at p. 100; Exhibit X at p. 350.

¹⁸ See Exhibit W at p. 87; Exhibit X at p. 332.

109. Section II – Who Is An Insured of the 2010 Karoma Properties Policy, as modified by endorsement (Form CG 76 35 02 07), provides in relevant part as follows:

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as: . . .
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers. . . .
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) . . . to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business; . . .

Paragraph (1) does not apply to executive officers, or to managers at the supervisory level or above. . . .

 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager. . . .
 3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the end of the policy period;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. . . .

SECTION II – WHO IS AN INSURED [also includes] [a]ny person or organization . . . for whom you are required by written contract, agreement or permit to provide insurance . . .¹⁹

110. Section II – Who Is An Insured of the 2014 Karoma Properties Policy, as modified by endorsement (CG 88 10 04 13), provides in relevant part as follows:

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as: . . .
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers. . . .
- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

¹⁹ See Exhibit W at pp. 81-82, 97, 99.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) . . . to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business; . . .

Paragraphs (a) and (b) above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances. . . .

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager. . . .

3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

- d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision. . . .

SECTION II – WHO IS AN INSURED [also includes] [a]ny person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. . . .²⁰

111. Coverage A, as modified by endorsement, contains an Expected Or Intended Injury exclusion, which provides:

This insurance does not apply to:

a. **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.²¹

112. Coverage A contains an Employer's Liability exclusion which provides:

This insurance does not apply to: . . .

e. **Employer's Liability**

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or

²⁰ See Exhibit X at pp. 326, 346, 349-350.

²¹ See Exhibit W at p. 99; Exhibit X at p. 351.

- (2) The spouse, child, parent, brother, or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".²²

113. Coverage A contains a Workers' Compensation And Similar Laws exclusion which provides:

This insurance does not apply to: . . .

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.²³

114. Coverage A contains a Personal And Advertising Injury exclusion which provides:

This insurance does not apply to: . . .

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".²⁴

115. The Insuring Agreement for Coverage B provides, in relevant part, as follows:

²² See Exhibit W at p. 74; Exhibit X at p. 318.

²³ See Exhibit W at p. 74; Exhibit X at p. 318.

²⁴ See Exhibit W at p. 77; Exhibit X at p. 322.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insurance Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. . . .
- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.²⁵

116. Coverage B provides that the term "personal and advertising injury" is defined to mean injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;

²⁵ See Exhibit W at p. 78; Exhibit X at p. 322..

- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".²⁶

117. Coverage B contains a Knowing Violation Of Rights Of Another exclusion which provides:

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".²⁷

118. Coverage B contains a Criminal Acts exclusion which provides:

This insurance does not apply to: . . .

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.²⁸

119. The Karoma Properties Policies include an Employment-Related Practices exclusion under Coverage A and Coverage B (Form CG 21 47 12 07) which provides, in relevant part, as follows:

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

²⁶ See Exhibit W at p. 87; Exhibit X at p. 332.

²⁷ See Exhibit W at p. 78; Exhibit X at p. 323.

²⁸ See Exhibit W at p. 78; Exhibit X at p. 323.

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury. . . .

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and

- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.²⁹

120. The 2014 Karoma Properties Policy, as modified by endorsement (Form CG 21 44 07 98), provides, in relevant part, as follows:

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDELE

Premises:

1881 SW 1st , Redmond, OR 97756,1135 Adams Klamath Falls, OR, 170 SW 2nd St. Madras, OR, 171 SW C St. Madras OR, 2162 NE 6TH Redmond, OR

...

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.³⁰

121. Section IV of the 2010 Karoma Properties Policy, as modified by endorsement (Form CG 76 35 02 07), provides, in relevant part, as follows:

²⁹ See Exhibit W at p. 91; Exhibit X at p. 336.

³⁰ See Exhibit X at p. 274.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a.** You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1)** How, when and where the "occurrence" or offense took place;
 - (2)** The names and addresses of any injured persons and witnesses; and
 - (3)** The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b.** If a claim is made or "suit" is brought against any insured, you must:
 - (1)** Immediately record the specifics of the claim or "suit" and the date received; and
 - (2)** Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.³¹

122. Section IV of the 2014 Karoma Properties Policy, as modified by endorsement (Form CG 88 10 04 13), provides, in relevant part, as follows:

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a.** You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1)** How, when and where the "occurrence" or offense took place;

³¹ See Exhibit W at pp. 83, 100.

- (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the “occurrence” or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.³²

3. Miguel Segoviano Policies

123. American Fire issued a commercial package policy to Miguel Segoviano, Policy No. BKA (13) 55 34 11 39, with a policy period of September 30, 2012 to September 30, 2013 (the “2012 Miguel Segoviano Policy”). A copy of the 2012 Miguel Segoviano Policy is attached hereto as **Exhibit Y**.

124. American Fire issued a commercial package policy to Miguel Segoviano, Policy No. BKA (14) 55 34 11 39, with a policy period of September 30, 2013 to January 22, 2014 (the “2013 Miguel Segoviano Policy,” and, together with the 2012 Miguel Segoviano Policy, the “Miguel Segoviano Policies”). The original policy period of the 2013 Miguel Segoviano Policy was September 30, 2013 to September 30, 2014, but the policy was cancelled effective January 22, 2014. A copy of the 2013 Miguel Segoviano Policy is attached hereto as **Exhibit Z**.

³² See Exhibit X at pp. 328, 350.

125. Section I of the Miguel Segoviano Policies (Form CG 00 01 12 07) contains two coverage parts: (i) Coverage A, Bodily Injury and Property Damage Liability; and (ii) Coverage B, Personal and Advertising Injury.

126. The Insuring Agreement for Coverage A provides, in relevant part, as follows:

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, in our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. . . .
- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence"
 - (2) The "bodily injury" or "property damage" occurs during the policy period;³³

127. Coverage A, as modified by endorsement (Form CG 88 11 10 09), defines the term "bodily injury" as "physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease."³⁴

³³ See Exhibit Y at p. 107; Exhibit Z at p. 97.

³⁴ See Exhibit Y at p. 141; Exhibit Z at p. 132.

128. Coverage A provides that the term "occurrence" is defined to mean "an accident, including continuous or repeated exposure to substantially the same general harmful conditions."³⁵

129. Section II – Who Is An Insured of the Miguel Segoviano Policies, as modified by endorsement (Form CG 88 11 10 09), provides in relevant part as follows:

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner. . . .
2. Each of the following is also an insured: . . .
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager. . . .
3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

³⁵ See Exhibit Y at p. 121; Exhibit Z at p. 111.

- d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision. . . .

SECTION II – WHO IS AN INSURED [also] include[s] any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. . . .³⁶

130. Coverage A, as modified by endorsement (Form CG 88 11 10 09), contains an Expected Or Intended Injury exclusion, which provides:

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.³⁷

131. Coverage A contains an Employer's Liability exclusion which provides:

This insurance does not apply to: . . .

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
- (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or

³⁶ See Exhibit Y at pp. 115, 137, 140-141; Exhibit Z at pp. 105, 128, 131-132.

³⁷ See Exhibit Y at p. 141; Exhibit Z at p. 132.

- (2) The spouse, child, parent, brother, or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".³⁸

132. Coverage A contains a Workers' Compensation And Similar Laws exclusion

which provides:

This insurance does not apply to: . . .

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.³⁹

133. Coverage A contains a Personal And Advertising Injury exclusion which

provides:

This insurance does not apply to: . . .

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".⁴⁰

134. The Insuring Agreement for Coverage B of the Miguel Segoviano Policies

provides, in relevant part, as follows:

³⁸ See Exhibit Y at p. 108; Exhibit Z at p. 98.

³⁹ See Exhibit Y at p. 108; Exhibit Z at p. 98.

⁴⁰ See Exhibit Y at p. 111; Exhibit Z at p. 101.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. . . .
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.⁴¹

135. Coverage B provides that the term "personal and advertising injury" is defined to mean injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or

⁴¹ See Exhibit Y at p. 112; Exhibit Z at p. 102.

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".⁴²

136. Coverage B contains a Knowing Violation Of Rights Of Another exclusion which provides:

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".⁴³

137. Coverage B contains a Criminal Acts exclusion which provides:

This insurance does not apply to: . . .

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.⁴⁴

138. The Miguel Segoviano Policies also include an Employment-Related Practices exclusion under Coverage A and Coverage B (Form CG 21 47 12 07) which provides, in relevant part, as follows:

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

⁴² See Exhibit Y at p. 121; Exhibit Z at p. 111.

⁴³ See Exhibit Y at p. 112; Exhibit Z at p. 102.

⁴⁴ See Exhibit Y at p. 112; Exhibit Z at p. 102.

- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies: (a),

- (1) Whether the injury-causing event described in Paragraphs (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury. . . .

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; . . .

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and

- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.⁴⁵

139. The Miguel Segoviano Policies, as modified by endorsement (Form CG 21 44 07 98), provide, in relevant part, as follows:

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Premises:

1881 SW 1st St, Redmond, OR 97756
1135 Adams St, Klamath Falls, OR 97601

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.⁴⁶

140. Section IV of the Miguel Segoviano Policies, as modified by endorsement (Form CG 88 11 10 09), provides, in relevant part, as follows:

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

⁴⁵ See Exhibit Y at p. 125; Exhibit Z at p. 116.

⁴⁶ See Exhibit Y at p. 124; Exhibit Z at p. 115.

- (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.⁴⁷

COUNT I

Declaratory Relief – Duty to Defend Sego Contractors Policies and Service Express Group Policies

141. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 140 as though fully set forth herein.

142. Segoviano is not afforded insured status as an "executive officer" under the SEGO Contractors Policies or Service Express Group Policies because Segoviano's alleged misconduct for which H.D. seeks damages was outside the scope of Segoviano's duties as an officer of SEGO Contractors or Service Express Group, respectively.

143. Segoviano is not afforded insured status as an "employee" under the SEGO Contractors Policies or Service Express Group Policies because Segoviano's alleged

⁴⁷ See Exhibit Y at pp. 117, 141; Exhibit Z at pp. 107, 132.

misconduct for which H.D. seeks damages (a) was outside the scope of Segoviano's employment by SEGO Contractors Policies and Service Express Group Policies, respectively; (b) was not committed while performing duties related to the conduct of their business; and/or (c) because any alleged "bodily injury" or "personal and advertising injury" to H.D. arises out of Segoviano's willful conduct.

144. Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the SEGO Contractors Policies.

145. Upon information and belief, SEGO Contractors did not agree to add Service Express Group, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the SEGO Contractors Policies in a written contract, written agreement, or permit.

146. Upon information and belief, neither Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as SEGO Contractors' real estate manager.

147. Upon information and belief, neither Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by SEGO Contractors during the policy period of the SEGO Contractors Policies.

148. Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the SEGO Contractors Policies.

149. SEGO Contractors, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Service Express Group Policies.

150. Upon information and belief, Service Express Group did not agree to add SEGO Contractors, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Service Express Group Policies in a written contract, written agreement or permit.

151. Upon information and belief, neither SEGO Contractors, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as Service Express Group's real estate manager.

152. Upon information and belief, neither SEGO Contractors, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Service Express Group during the policy period of the Service Express Group Policies.

153. SEGO Contractors, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Service Express Group Policies.

154. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

155. There is no coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

156. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

157. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

158. The Employer's Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

159. The Workers' Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

160. The Personal And Advertising Injury exclusion bars coverage for any alleged "personal and advertising injury" to H.D. under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

161. There is no coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies because any alleged "personal and advertising injury" to H.D. did not arise out of SEGO Contractors' or Service Express Group's respective businesses.

162. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies.

163. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies.

164. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the SEGO Contractors Policies and Service Express Group Policies.

165. Paragraph 2 of Section IV, “Commercial General Liability Conditions,” bars coverage for the Underlying Lawsuit under Coverages A and B of the SEGO Contractors Policies and Service Express Group Policies.

166. Because the SEGO Contractors Policies and Service Express Group Policies do not afford any coverage for Segoviano with respect to the Underlying Lawsuit, OSIC has no duty to defend Segoviano against such lawsuit.

167. Because the SEGO Contractors Policies and Service Express Group Policies do not afford any coverage for the Corporate Defendants with respect to the Underlying Lawsuit, OSIC has no duty to defend the Corporate Defendants against such lawsuit.

COUNT II

Declaratory Relief – Duty to Indemnify Sego Contractors Policies and Service Express Group Policies

168. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 167 as though fully set forth herein.

169. Segoviano is not afforded insured status as an “executive officer” under the SEGO Contractors Policies or Service Express Group Policies because Segoviano’s alleged misconduct for which H.D. seeks damages was outside the scope of Segoviano’s duties as an officer of SEGO Contractors or Service Express Group, respectively.

170. Segoviano is not afforded insured status as an “employee” under the SEGO Contractors Policies or Service Express Group Policies because Segoviano’s alleged misconduct for which H.D. seeks damages (a) was outside the scope of Segoviano’s employment by SEGO Contractors and Service Express Group, respectively; (b) was not committed while performing duties related to the conduct of their business; and/or (c) because any alleged “bodily injury” or “personal and advertising injury” to H.D. arises out of Segoviano’s willful conduct.

171. Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the SEGO Contractors Policies.

172. Upon information and belief, SEGO Contractors did not agree to add Service Express Group, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the SEGO Contractors Policies in a written contract, written agreement, or permit.

173. Upon information and belief, neither Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as SEGO Contractors’ real estate manager.

174. Upon information and belief, neither Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by SEGO Contractors during the policy period of the SEGO Contractors Policies.

175. Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the SEGO Contractors Policies.

176. SEGO Contractors, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Service Express Group Policies.

177. Upon information and belief, Service Express Group did not agree to add SEGO Contractors, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Service Express Group Policies in a written contract, written agreement, or permit.

178. Upon information and belief, neither SEGO Contractors, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as Service Express Group's real estate manager.

179. Upon information and belief, neither SEGO Contractors, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Service Express Group during the policy period of the Service Express Group Policies.

180. SEGO Contractors, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Service Express Group Policies.

181. There is no coverage for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies with respect to any alleged "bodily injury" to H.D. that did not take place during the policy periods of the SEGO Contractors Policies, which spanned from January 19, 2014 to September 28, 2018.

182. There is no coverage for the Underlying Lawsuit under Coverage A of the Service Express Group Policies with respect to any alleged "bodily injury" to H.D. that did

not take place during the policy periods of the Service Express Group Policies, which spanned from September 28, 2018 to September 28, 2020.

183. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

184. There is no coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

185. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

186. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

187. The Employer's Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

188. The Workers' Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

189. The Personal And Advertising Injury exclusion bars coverage for any alleged "personal and advertising injury" to H.D. under Coverage A of the SEGO Contractors Policies and Service Express Group Policies.

190. There is no coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies because any alleged “personal and advertising injury” to H.D. did not arise out of SEGO Contractors’ or Service Express Group’s respective businesses.

191. There is no coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies for any alleged “personal and advertising injury” to H.D. that did not take place during the policy periods of the SEGO Contractors Policies, which spanned from January 19, 2014 to September 28, 2018.

192. There is no coverage for the Underlying Lawsuit under Coverage B of the Service Express Group Policies for any alleged “personal and advertising injury” to H.D. that did not take place during the policy periods of the Service Express Group Policies, which spanned from September 28, 2018 to September 28, 2020.

193. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies.

194. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the SEGO Contractors Policies and Service Express Group Policies.

195. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the SEGO Contractors Policies and Service Express Group Policies.

196. Paragraph 2 of Section IV, “Commercial General Liability Conditions,” bars coverage for the Underlying Lawsuit under Coverages A and B of the SEGO Contractors Policies and Service Express Group Policies.

197. Because the SEGO Contractors Policies and Service Express Group Policies do not afford any coverage for Segoviano with respect to the Underlying Lawsuit, OSIC has no duty to indemnify Segoviano in connection with such lawsuit.

198. Because the SEGO Contractors Policies and Service Express Group Policies do not afford any coverage for the Corporate Defendants with respect to the Underlying Lawsuit, OSIC has no duty to indemnify the Corporate Defendants in connection with such lawsuit.

COUNT III

Declaratory Relief – Duty to Defend Karoma Properties Policies

199. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 198 as though fully set forth herein.

200. Segoviano is not afforded insured status as a member of Karoma Properties under the Karoma Properties Policies because Segoviano’s alleged misconduct for which H.D. seeks damages was unrelated to the conduct of Karoma Properties’ business.

201. Segoviano is not afforded insured status as an “employee” under the Karoma Properties Policies because Segoviano’s alleged misconduct for which H.D. seeks damages (a) was outside the scope of Segoviano’s employment by Karoma Properties; (b) was not committed while performing duties related to the conduct of its business; and/or (c) because

any alleged “bodily injury” or “personal and advertising injury” to H.D. arises out of Segoviano’s willful conduct.

202. Service Express Group, SEGO Contractors, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Karoma Properties Policies.

203. Upon information and belief, Karoma Properties did not agree to add Service Express Group, SEGO Contractors, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Karoma Properties Policies in a written contract, agreement, or permit.

204. Upon information and belief, neither Service Express Group, SEGO Contractors, Segoviano Leasing, nor SEGO Real Estate Group was acting as Karoma Properties’ real estate manager.

205. Upon information and belief, neither Service Express Group, SEGO Contractors, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Karoma Properties during the policy period of the Karoma Properties Policies.

206. Service Express Group, SEGO Contractors, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Karoma Properties Policies.

207. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies because H.D.’s alleged “bodily injury” was not caused by an “occurrence.”

208. There is no coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies because H.D.’s alleged “bodily injury” was not caused by an “occurrence.”

209. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

210. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

211. The Employer’s Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

212. The Workers’ Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

213. The Personal And Advertising Injury exclusion bars coverage for any alleged “personal and advertising injury” to H.D. under Coverage A of the Karoma Properties Policies.

214. There is no coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies because any alleged “personal and advertising injury” to H.D. did not arise out of Karoma Properties’ business.

215. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies.

216. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies.

217. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the Karoma Properties Policies.

218. Paragraph 2 of Section IV, “Commercial General Liability Conditions,” bars coverage for the Underlying Lawsuit under Coverages A and B of the Karoma Properties Policies.

219. Because the 2010 Karoma Properties Policy does not afford any coverage for Segoviano with respect to the Underlying Lawsuit, First National has no duty to defend Segoviano against such lawsuit under the 2010 Karoma Properties Policy.

220. Because the 2010 Karoma Properties Policy does not afford any coverage for Karoma Properties or any of the other Corporate Defendants with respect to the Underlying Lawsuit, First National has no duty to defend Karoma Properties or any of the other Corporate Defendants against such lawsuit under the 2010 Karoma Properties Policy.

221. Because the 2014 Karoma Properties Policy does not afford any coverage for Segoviano with respect to the Underlying Lawsuit, American Fire has no duty to defend Segoviano against such lawsuit under the 2014 Karoma Properties Policy.

222. Because the 2014 Karoma Properties Policy does not afford any coverage for Karoma Properties or any of the other Corporate Defendants with respect to the Underlying Lawsuit, American Fire has no duty to defend Karoma Properties or any of the other Corporate Defendants against such lawsuit under the 2014 Karoma Properties Policy.

COUNT IV

Declaratory Relief – Duty To Indemnify Karoma Properties Policies

223. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 222 as though fully set forth herein.

224. Segoviano is not afforded insured status as a member of Karoma Properties under the Karoma Properties Policies because Segoviano's alleged misconduct for which H.D. seeks damages was unrelated to the conduct of Karoma Properties' business.

225. Segoviano is not afforded insured status as an "employee" under the Karoma Properties Policies because Segoviano's alleged misconduct for which H.D. seeks damages (a) was outside the scope of Segoviano's employment by Karoma Properties; (b) was not committed while performing duties related to the conduct of Karoma Properties' business; and/or (c) because any alleged "bodily injury" or "personal and advertising injury" to H.D. arises out of Segoviano's willful conduct.

226. Service Express Group, SEGO Contractors, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Karoma Properties Policies.

227. Upon information and belief, Karoma Properties did not agree to add Service Express Group, SEGO Contractors, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Karoma Properties Policies in a written contract, agreement, or permit.

228. Upon information and belief, neither Service Express Group, SEGO Contractors, Segoviano Leasing, nor SEGO Real Estate Group was acting as Karoma Properties' real estate manager.

229. Upon information and belief, neither Service Express Group, SEGO Contractors, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Karoma Properties during the policy period of the Karoma Properties Policies.

230. Service Express Group, SEGO Contractors, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Karoma Properties Policies.

231. There is no coverage for the Underlying Lawsuit under Coverage A of the 2010 Karoma Properties Policy with respect to any alleged "bodily injury" to H.D. that did not take place during the policy period of the 2010 Karoma Properties Policy, which spanned from April 30, 2010 to April 30, 2011.

232. There is no coverage for the Underlying Lawsuit under Coverage A of the 2014 Karoma Properties Policy with respect to any alleged "bodily injury" to H.D. that did not take place during the policy period of the 2014 Karoma Properties Policy, which spanned from January 22, 2014 to January 22, 2015.

233. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

234. There is no coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

235. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

236. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

237. The Employer's Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

238. The Workers' Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Karoma Properties Policies.

239. The Personal And Advertising Injury exclusion bars coverage for any alleged "personal and advertising injury" to H.D. under Coverage A of the Karoma Properties Policies.

240. There is no coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies because any alleged "personal and advertising injury" to H.D. did not arise out of Karoma Properties' business.

241. There is no coverage for the Underlying Lawsuit under Coverage B of the 2010 Karoma Properties Policy with respect to any alleged "personal and advertising injury" to H.D. that did not take place during the policy period of the 2010 Karoma Properties Policy, which spanned from April 30, 2010 to April 30, 2011.

242. There is no coverage for the Underlying Lawsuit under Coverage B of the 2014 Karoma Properties Policy with respect to any alleged "personal and advertising injury" to H.D. that did not take place during the policy period of the 2014 Karoma Properties Policy, which spanned from January 22, 2014 to January 22, 2015.

243. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies.

244. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Karoma Properties Policies.

245. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the Karoma Properties Policies.

246. Paragraph 2 of Section IV, “Commercial General Liability Conditions,” bars coverage for the Underlying Lawsuit under Coverages A and B of the Karoma Properties Policies.

247. There is no coverage for the Underlying Lawsuit under Coverages A or B of the 2014 Karoma Properties Policy with respect to any alleged “bodily injury” or “personal and advertising injury” to H.D. that did not arise out of the “ownership, maintenance or use” of the following premises: (i) 1881 SW 1st, Redmond, OR 97756; (ii) 1135 Adams, Klamath Falls, OR; (iii) 170 SW 2nd St., Madras, OR; (iv) 171 SW C St., Madras OR; or (v) 2162 NE 6th, Redmond, OR.

248. Because the 2010 Karoma Properties Policy does not afford any coverage for Segoviano with respect to the Underlying Lawsuit, First National has no duty to indemnify Segoviano in connection with such lawsuit under the 2010 Karoma Properties Policy.

249. Because the 2010 Karoma Properties Policy does not afford any coverage for Karoma Properties or any of the other Corporate Defendants with respect to the Underlying Lawsuit, First National has no duty to indemnify Karoma Properties or any of the other

Corporate Defendants in connection with such lawsuit under the 2010 Karoma Properties Policy.

250. Because the 2014 Karoma Properties Policy does not afford any coverage for Segoviano with respect to the Underlying Lawsuit, American Fire has no duty to indemnify Segoviano in connection with such lawsuit under the 2014 Karoma Properties Policy.

251. Because the 2014 Karoma Properties Policy does not afford any coverage for Karoma Properties or any of the other Corporate Defendants with respect to the Underlying Lawsuit, American Fire has no duty to indemnify Karoma Properties or any of the other Corporate Defendants in connection with such lawsuit under the 2014 Karoma Properties Policy.

COUNT V

Declaratory Relief – Duty to Defend Miguel Segoviano Policies

252. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 251 as though fully set forth herein.

253. Segoviano is not afforded insured status as the sole member of any of the Corporate Defendants under the Miguel Segoviano Policies because Segoviano's alleged misconduct for which H.D. seeks damages was unrelated to the conduct of any of the Corporate Defendants' businesses.

254. SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Miguel Segoviano Policies.

255. Upon information and belief, Segoviano did not agree to add SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Miguel Segoviano Policies in a written contract, written agreement, or permit.

256. Upon information and belief, neither SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as Segoviano's real estate manager.

257. Upon information and belief, neither SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Segoviano during the policy period of the Miguel Segoviano Policies.

258. SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Miguel Segoviano Policies.

259. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

260. Even if the Corporate Defendants qualified as insureds under the Miguel Segoviano Policies, there is no coverage for any of the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

261. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

262. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

263. The Employer's Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

264. The Workers' Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

265. The Personal And Advertising Injury exclusion bars coverage for any alleged "personal and advertising injury" to H.D. under Coverage A of the Miguel Segoviano Policies.

266. There is no coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies because any alleged "personal and advertising injury" to H.D. did not arise out of Segoviano's business.

267. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies.

268. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies.

269. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the Miguel Segoviano Policies.

270. Paragraph 2 of Section IV, "Commercial General Liability Conditions," bars coverage for the Underlying Lawsuit under Coverages A and B of the Miguel Segoviano Policies.

271. Because the Miguel Segoviano Policies do not afford any coverage for Segoviano with respect to the Underlying Lawsuit, American Fire has no duty to defend Segoviano against such lawsuit under the Miguel Segoviano Policies.

272. Because the Miguel Segoviano Policies do not afford any coverage for any of the Corporate Defendants with respect to the Underlying Lawsuit, American Fire has no duty to defend any of the Corporate Defendants against such lawsuit under the Miguel Segoviano Policies.

COUNT VI

Declaratory Relief – Duty to Indemnify Miguel Segoviano Policies

273. Plaintiffs re-allege and incorporate by reference Paragraphs 1 through 272 as though fully set forth herein.

274. Segoviano is not afforded insured status as the sole member of any of the Corporate Defendants under the Miguel Segoviano Policies because Segoviano's alleged misconduct for which H.D. seeks damages was unrelated to the conduct of any of the Corporate Defendants' businesses.

275. SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not listed or scheduled as insureds under the Miguel Segoviano Policies.

276. Upon information and belief, Segoviano did not agree to add SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, or SEGO Real Estate Group as an additional insured with respect to the Miguel Segoviano Policies in a written contract, written agreement, or permit.

277. Upon information and belief, neither SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was acting as Segoviano's real estate manager.

278. Upon information and belief, neither SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, nor SEGO Real Estate Group was newly acquired or newly formed by Segoviano during the policy period of the Miguel Segoviano Policies.

279. SEGO Contractors, Service Express Group, Karoma Properties, Segoviano Leasing, and SEGO Real Estate Group are not afforded insured status under the Miguel Segoviano Policies.

280. There is no coverage for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies with respect to any alleged "bodily injury" to H.D. that did not take place during the policy periods of the Miguel Segoviano Policies, which spanned from September 30, 2012 to January 22, 2014.

281. There is no coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

282. Even if the Corporate Defendants qualified as insureds under the Miguel Segoviano Policies, there is no coverage for any of the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies because H.D.'s alleged "bodily injury" was not caused by an "occurrence."

283. The Expected Or Intended Injury exclusion bars coverage for Segoviano for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

284. The Expected Or Intended Injury exclusion bars coverage for the Corporate Defendants for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

285. The Employer's Liability exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

286. The Workers' Compensation And Similar Laws exclusion bars coverage for the Underlying Lawsuit under Coverage A of the Miguel Segoviano Policies.

287. The Personal And Advertising Injury exclusion bars coverage for any alleged "personal and advertising injury" to H.D. under Coverage A of the Miguel Segoviano Policies.

288. There is no coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies because any alleged "personal and advertising injury" to H.D. did not arise out of Segoviano's business.

289. There is no coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies with respect to any alleged "personal and advertising injury" to H.D. that did not take place during the policy periods of the Miguel Segoviano Policies, which spanned from September 30, 2012 to January 22, 2014.

290. The Knowing Violation Of Rights Of Another exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies.

291. The Criminal Acts exclusion bars coverage for the Underlying Lawsuit under Coverage B of the Miguel Segoviano Policies.

292. The Employment-Related Practices Exclusion bars coverage for the Underlying Lawsuit under Coverages A and B of the Miguel Segoviano Policies.

293. Paragraph 2 of Section IV, "Commercial General Liability Conditions," bars coverage for the Underlying Lawsuit under Coverages A and B of the Miguel Segoviano Policies.

294. There is no coverage for the Underlying Lawsuit under Coverages A or B of the Miguel Segoviano Policies with respect to any alleged "bodily injury" or "personal and advertising injury" to H.D. that did not arise out of the "ownership, maintenance or use" of the following premises: (i) 1881 SW 1st, Redmond, OR 97756; or (ii) 1135 Adams, Klamath Falls, OR 97601.

295. Because the Miguel Segoviano Policies do not afford any coverage for Segoviano with respect to the Underlying Lawsuit, American Fire has no duty to indemnify Segoviano in connection with such lawsuit under the Miguel Segoviano Policies.

296. Because the Miguel Segoviano Policies do not afford any coverage for any of the Corporate Defendants with respect to the Underlying Lawsuit, American Fire has no duty to indemnify any of the Corporate Defendants in connection with such lawsuit under the Miguel Segoviano Policies.

PRAYER FOR RELIEF

WHEREFORE, OSIC, First National, and American Fire seek the following relief:

- A. A declaration that, under the SEGO Contractors Policies, OSIC owes no duty to defend or indemnify Segoviano against the Underlying Lawsuit;
- B. A declaration that, under the SEGO Contractors Policies, OSIC owes no duty to defend or indemnify any of the Corporate Defendants against the Underlying Lawsuit;
- C. A declaration that, under the Service Express Group Policies, OSIC owes no duty to defend or indemnify Segoviano against the Underlying Lawsuit;
- D. A declaration that, under the Service Express Group Policies, OSIC owes no duty to defend or indemnify any of the Corporate Defendants against the Underlying Lawsuit;
- E. A declaration that, under the 2010 Karoma Properties Policy, First National owes no duty to defend or indemnify Segoviano against the Underlying Lawsuit;
- F. A declaration that, under the 2010 Karoma Properties Policy, First National owes no duty to defend or indemnify any of the Corporate Defendants against the Underlying Lawsuit;
- G. A declaration that, under the 2014 Karoma Properties Policy, American Fire owes no duty to defend or indemnify Segoviano against the Underlying Lawsuit;

- H. A declaration that, under the 2014 Karoma Properties Policy, American Fire owes no duty to defend or indemnify any of the Corporate Defendants against the Underlying Lawsuit;
- I. A declaration that, under the Miguel Segoviano Policies, American Fire owes no duty to defend or indemnify Segoviano against the Underlying Lawsuit;
- J. A declaration that, under the Miguel Segoviano Policies, American Fire owes no duty to defend or indemnify any of the Corporate Defendants against the Underlying Lawsuit;
- K. OSIC is entitled to reimbursement of defense expenses that it paid on behalf of SEGO Contractors to defend it against the Underlying Lawsuit;
- L. OSIC is entitled to reimbursement of defense expenses that it paid on behalf of Service Express Group to defend it against the Underlying Lawsuit;
- M. First National is entitled to reimbursement of defense expenses that it paid on behalf of Karoma Properties to defend it against the Underlying Lawsuit;

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- N. American Fire is entitled to reimbursement of defense expenses that it paid on behalf of Karoma Properties to defend it against the Underlying Lawsuit; and
- O. Such other and further relief as the Court deems just and proper.

DATED: January 6, 2021

BULLIVANT HOUSER BAILEY PC

By s/ John A. Bennett
John A. Bennett, OSB #750407
Telephone: 503.228.6351

MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, P.C.

Nancy D. Adams, (pro hac vice pending)
Laura Bange Stephens, (pro hac vice
pending)
Telephone: 617.542.6000

Attorneys for Plaintiffs Ohio Security
Insurance Company, First National Insurance
Company of America, American Fire and
Casualty Company

4813-5498-2870.1